

February 24, 2022

David Robbins, Chairman  
Grafton Planning Board  
Grafton Memorial Municipal Center  
30 Providence Road  
Grafton, MA 01519

RE: Churchill and Banks/244 Worcester Street, Grafton, Massachusetts

Dear Chairman Robbins and Members of the Board:

At this juncture in the public hearing process it would be appropriate to summarize the steps taken by the Applicant to move forward in good faith with regard to the proposed development and to summarize how the evidence presented demonstrates that the Applicant has met the standards for review of a Special Permit pursuant to the Town of Grafton Zoning Bylaw.

At the outset it is important to recall that the site has historically been zoned as an Industrial site. The site has housed the Wyman Gordon heavy manufacturing plant for more than eight years. It recently has been made part of the Priority Development Site Overlay District ("PDSOD") pursuant to Section 11 of the Zoning Bylaw. The stated objectives of the PDSOD include:

1. Increase clean, diverse and geographically focused commercial and industrial activities.
2. Strengthen Grafton's tax base.
3. Target appropriate development site for commercial or industrial development planning.

The inclusion of the subject property in the PDSOD demonstrates the Town's commitment to have Boards and Commissions move to achieve the purposes set forth above.

There has been some discussion during the public hearing process of the burden the Applicant bears to demonstrate the appropriateness of the requested use. It is important that the standard be fully understood. Section 1.5.5 of the Zoning Bylaw sets forth the following criteria and conditions for granting the Special Permits.

*Special Permits may be granted only for uses which are in harmony with the general purpose and intent of this By-Law. The special permit granting authority shall deny an application for a special permit when it determines that a nuisance, hazard, or congestion will be created, or for any other reason there will be substantial harm to the neighborhood or a derogation from the general purpose and the intent of the By-Law, or where the special permit is determined not to be in*

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*the public interest, or that the stated district objectives or applicable use criteria will not be satisfied (emphasis added).*

Please note that the question is not whether there is some other use that might be “better” in some respect relating to impacts particularly relating to substantial harm for the neighborhood. Rather, the use must be measured on its own and evaluated specifically as to its particular impacts and whether such impacts qualify as substantial harm.

The Applicant has demonstrated that the proposed warehouse use will not result in a nuisance, hazard or congestion which would create a substantial harm to the neighborhood. The Applicant has further demonstrated that the proposed warehouse use is previously consistent with use of land in the Industrial Zone, particularly when coupled with its location in the PDSOD District.

The Bylaw is instructive as to how a Planning Board is to determine whether there will be substantial harm to the neighborhood or derogation of the general purpose and intent of the Bylaw or when the Special Permit is not determined to be in the public interest. Section 1.5.5 provides specificity as to the specific criteria and findings that the Planning Board is required to make and on which it is to make its determination. The Applicant has demonstrated compliance with all of those criteria as demonstrated by the following:

- A. Ingress and egress to property and proposed structures thereon with particular reference to automotive and pedestrian safety and convenience, traffic flow and control and access in case of fire or catastrophe. *Discussed in more detail below.*
- B. Off-street parking and loading areas where required, with particular attention to the items in paragraph (a) above, and the economic, noise, glare or odor effects of the special permit on adjoining properties and properties generally in the district. *Discussed in more detail below.*
- C. Refuse collection or disposal and services areas, with particular reference to items in paragraphs (a) and (b) above. *All refuse disposals will occur within the designated areas as shown on the plan and all at the expense of the Applicant.*
- D. Screening and buffering with reference to type, dimensions and character. *The site is designed with a visual berm along Worcester Street that is replete with plantings to screen the structure at street level.*
- E. Signs, if any, and proposed exterior lighting with reference to glare, traffic safety, economic effect, and compatibility and harmony with properties in this district. *The Applicant will seek only signs that are compliance with the Zoning Bylaw or for which specific relief is subsequently granted.*
- F. Required yards and other open spaces. *The design of the facility meets or exceeds all of the required yards as established by the Zoning Bylaw. Material portions of the site (including the reserve parking areas) are maintained as open space.*



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- G. General compatibility with adjacent properties and other property in the district.
- H. There will not be any significant adverse impact on any public or private water supply.  
*There have been no issues raised relative to adverse impacts on any public or private water supply in the course of the public hearing process. The use will not generate harmful products that could inadvertently be transmitted to the water supply.*
- I. If the subject site is located within the Water Supply Protection Overlay District, there will not be any significant or cumulative impact upon municipal water supplies, and the Board shall give appropriate consideration to contamination by nitrate-nitrogen loading in making this determination. *Not applicable.*
- J. Protect important historic, cultural and scenic landscapes. *Not applicable. The site is bounded by a historic heavy manufacturing facility on a state highway.*
- K. Protect important historic, cultural and scenic landscaping.
- L. The project is very compatible with adjacent properties, existing westerly driveway is being repurposed to serve for shared egress with Wyman Gordon property. The property preserves open areas of the Wyman site for further development in the future. The proposed building has been reduced in both size and mass during the hearing process in recognition of neighborhood concerns. The building is as compatible as can occur in light of the fact that the site abuts an established residential neighborhood.

The public hearing process has been dominated by discussion relative to traffic, particularly the impacts of the proposed development and its attendant traffic upon the immediately adjoining residential neighborhood on the opposite side of Worcester Street. While this has been a fair area of inquiry, the Applicant has done everything necessary to demonstrate that the increase in traffic to be experienced within the Worcester Street corridor will not result in substantial harm to the neighborhood nor create undue congestion for the overall purposes of the Town. The traffic impacts have been carefully reviewed by the Applicant's consultants and that review has been subject to strict further review by consultants retained by the Town. The peer review process requested that the Applicant conduct a sensitivity analysis as to the impacts to be experienced if significantly higher volumes of traffic were to utilize the site then originally projected by the Applicant. That is a hypothetical scenario and does not reflect anticipated conditions. While the Applicant did not aggregate that the sensitivity analysis was either necessary or would reflect any reasonably expected use of the proposed building in good faith it proceeded with the study. In response thereto and out of an abundance of caution, the latest plans will reflect certain modifications to the access and internal flow of traffic proposed by the Applicant as set forth in the correspondence of Vanasse & Associates, Inc. dated February 11, 2022.

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The peer review consultants further requested that the Applicant provides sight line triangles for the site driveways to ensure that the driveways presented adequate automotive and pedestrian safety and convenience. That work was similarly conducted, and the results as set forth in the February 11<sup>th</sup> letter of Vanasse & Associates demonstrated that the sight distance and stopping distance comports to generally accepted standards.

It is important to note that as part of the traffic analysis the Applicant has proposed reconfiguration of travel lanes within Worcester Street and granting of property along their frontage so as to create a dedicated left turn lane into the proposed site. This mitigation measure will ensure that traffic waiting to enter the site, particularly in the morning peak hours will not unduly interfere with eastbound traffic on Worcester Street and will provide for safe entry into the site particularly for larger vehicles. While the sensitivity analysis (which is wholly hypothetical and not supported by empirical evidence of traffic generated by this type of warehouse facility) demonstrates a level of degradation of service at unsignalized intersections during the peak hours, such degradation is not materially different than originally proposed by the Applicant and accepted as accurate by the peer review consultants for the 2028 no build scenario. In other words, traffic along the Worcester Street corridor is anticipated to continue to increase and make it more difficult for the unsignalized intersections servicing the adjoining neighborhood to access during peak times. The data does not support, however, a conclusion that the proposed warehouse facility is uniquely or predominately the cause of any degradation of any such service.

The Town will recognize significant benefits from the proposed development. As noted above, one of the stated purposes of the PDSOD Zoning District is to strengthen Grafton's tax base. Attached is a copy of the Memorandum prepared UniCap, Inc. outlining the anticipated economic benefits of the proposed development. Please note that by utilizing both the income capitalization approach in comparable property's approach to achieve a reasonable fair market value, it is a reasonable expectation that the project when completed would generate more than \$600,000.00 of annual tax revenue to the Town. There is also the corresponding increase in employment opportunities. The benefits of direct full time equivalent job and 85 indirect or induced jobs are reflected in the attached Memorandum. The Memorandum evidences that the goals and therefore the intent of the Zoning Bylaw would be achieved through the proposed development.

The site in question is intended to be utilized for industrial purposes. All industrial purposes increase traffic, being a combination of passenger vehicles and trucks. It is simply a reality. The impacts of the proposed use before the Board are no greater than any other use of this industrial zoned land could occur in conformance with zoning and in many instances are far less than other impacts. There are, simply, inadequate facts to support a finding by the Board that the proposed use would result in a nuisance, hazard or congestion would create substantial harm for the neighborhood. There is equally a paucity of facts to support a finding that the proposed use would be a derogation of the general purposes of the Bylaw. For the foregoing reasons, the Applicant



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respectfully requests that the Planning Board approve the proposed Special Permit subject to mutually acceptable conditions of approval.

~~Very truly yours,~~



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MLD/mmp  
Enclosure

# MUNICAP, INC.

PUBLIC FINANCE

## Memorandum

**To:** Rich Baccari, President & CEO of Churchill & Banks Companies, LLC

**From:** MuniCap, Inc.

**Date:** January 19, 2022

**Re:** 246 Worcester Street Distribution Economic Impacts

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Churchill & Banks (the “Developer”) is planning to develop a 330,000 square foot distribution center (the “Development”) in the Town of Grafton (the “Town”). MuniCap has prepared an estimate of real property tax revenues (on an annual basis) as well as an estimate of employment impacts that could be generated as a result of the Development. A summary of these findings follow.

### Real Property Tax Revenues

Commercial real property taxes in the Town for fiscal year 2022 are \$16.88 per \$1,000 dollars of assessed value. MuniCap discussed the assessment methodologies and procedures with the Town’s Board of Assessors. For income generating property, the assessor estimates assessed value on an income capitalization basis. MuniCap also researched comparable properties within the state of Massachusetts to serve as a check on the estimated value using the income capitalization approach.

### Income Capitalization Approach

To estimate the potential income and expenses for the proposed Development, MuniCap utilized CoStar to researched rent, expenses, and capitalization rates for comparable distribution centers in the state of Massachusetts constructed since 2010 as shown below.

	Distribution Center
Gross square feet	330,000
Annual rent per gross SF	\$8.36
Assumed vacancy rate	1.60%
Less: assumed vacancy	(\$0.13)
Effective gross income	\$8.23
Assumed expense ratio	18.24%
Less: assumed expenses	(\$1.50)
Net operating income	\$6.73
Capitalization rate	6.00%
Estimated market value per gross SF	<u>\$112.09</u>

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## Comparable Properties Approach

MuniCap also evaluated comparable distribution centers in the state of Massachusetts to estimate assessed value. MuniCap evaluated characteristics of properties, including age, size, estimated rent, expected use, and construction quality amongst other criteria to determine whether a sample property is more comparable, comparable, or less comparable to the proposed Development. The assessed values for properties determined to be comparable are shown below.

Development Type	Property Address	Assessed Value		
		GSF	Total	Per GSF
<i><b>Distribution Center</b></i>				
Thermo Fisher Scientific	5 Commerce Boulevard	288,600	\$26,941,800	\$93.35
FedEx	1977 Fall River Avenue	250,000	\$23,104,948	\$92.42
Bellingham Distribution Center	160 Mechanic Street	345,000	\$44,422,600	\$128.76
UniCorr	150 Hayes Memorial Drive	167,438	\$19,942,100	\$119.10
Average				<i><b>\$108.41</b></i>

MuniCap applied the estimated value per square foot using the income capitalization and comparable properties methods to the square footage of the proposed Development and applied the commercial real property tax rate to estimate the annual real property tax revenues.

	GSF	Assessed Value		Real Property Tax	Annual Property
		Per GSF	Total	Rate (Per \$1,000)	Tax Revenues
<i>Distribution Center</i>					
Income Capitalization Basis	330,000	\$112.09	\$36,990,248	\$16.88	\$624,395
Comparable Properties Basis	330,000	\$108.41	\$35,774,952	\$16.88	\$603,881

## **Employment Impacts**

To calculate construction employment, permanent employment, and economic impacts, MuniCap used IMPLAN software by IMPLAN Group, LLC. IMPLAN is an industry-accepted economic impact assessment software system with which trained users can create local area *social accounting matrices* and develop *multiplier models* that can be used to estimate detailed economic impacts. Temporary and permanent employment impacts were estimated on a direct and indirect basis. Temporary jobs reflect total full-time equivalent, indirect, and induced temporary jobs created through full development buildout and assume a one-year duration. Direct impacts represent full-time equivalent jobs which is an estimation of the expected jobs to be created assuming that all jobs created are full-time jobs. The Development is estimated to create 191 direct full-time equivalent jobs and 85 indirect or induced jobs. In addition, the Development is estimated to create 304 direct full-time equivalent temporary

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construction jobs and 123 indirect or induced jobs. Expected permanent and temporary jobs, as well as expected income per employee is shown in the table on the following page. Expected incomes from these jobs are in line with the per capita income for the Town as reported by the U.S. Census.

Distribution Center Jobs			
	Jobs	Annual Compensation	Income Per Employee
<b>Permanent impacts</b>			
Direct impacts (full-time equivalents)	191	\$8,733,058	\$45,785
Indirect/induced impacts	85	\$4,331,896	\$50,719
<b>Temporary construction impacts</b>			
Direct impacts (full-time equivalents)	304	\$12,998,944	\$42,760
Indirect/induced impacts	123	\$7,069,721	\$57,449